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# China Lithium Dashboard

## Inventory surprise offsets supply disruption; demand validation still key

**Asia Basic Materials**

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Lithium carbonate futures declined 10% MTD to Rmb140.5k/t as of 7 Sep, while Chinese lithium equities fell 9–11%, underperforming the HSI's 0.6% MTD decline. CATL's Jianxiawo restart uncertainty following the recent EIA revocation should have supported the supply-tightening narrative, but SMM's revised inventory classification- -adding ~94kt to reported inventories versus the prior series—shifted market focus back to inventory and demand validation. While the new framework still indicates destocking, the headline increase surprised the market and drove a sentiment-led sell-off from last Friday. We see downside risk toward Rmb130 135k/t, while the medium-term outlook remains supported by resilient downstream demand, particularly ESS. We maintain OW on Ganfeng and Neutral on Tianqi.

- **Jianxiawo restart timeline remains unconfirmed; Zimbabwe arrivals expected to normalize**: Market debate around CATL's Jianxiawo restart became clearer after the mine's environmental impact assessment was revoked on 26 Aug, according to Mysteel. Based on our channel checks, Jianxiawo had previously resumed low-profile production but has now moved back into suspension, with the restart timeline still unconfirmed pending further regulatory/environmental review. Other Jiangxi lepidolite projects requiring permit renewals may also see longer-than-expected restart timelines. For Zimbabwe, we expect port arrivals to gradually normalize into Q4, as miners likely front-load shipments ahead of the planned full ban on lithium concentrate exports from 1 Jan 2027.
- **SMM released new inventory data set with ~94kt addition, but still points to destocking.** SMM's 4 Sep release of a revised lithium carbonate inventory data set (link) lifted reported inventories from the May-revised inventory data set of 76kt to 169kt as of 3 Sep, implying an incremental ~94kt addition. The larger-than-expected data point surprised the market and triggered a 5% decline in lithium prices on the day. The increase appears largely attributable to broader sample coverage and category reclassification rather than a deterioration in the underlying inventory trend, with the new inventory data still showing a 5.6kt WoW drawdown. We therefore view the new data set as a near-term sentiment and volatility headwind, while the directional read-through remains consistent with ongoing destocking.
- **Demand validation key to upside.** Downstream demand indicators remain resilient, led by robust ESS momentum and seasonal restocking. ESS remains the key bright spot, with July global ESS battery shipments maintaining strong momentum and the industry still on track to meet or exceed J.P. Morgan's FY26 forecast (link). The key debate is shifting to the sustainability and pace of growth into 2027, particularly as China ESS growth normalizes from a high base and potential shipment deceleration risk emerges from 2H27. October November data points should provide better visibility on 2027 demand resilience. Until then, lithium prices may remain sensitive to supply-side newsflow and positioning.

**See page 12 for analyst certification and important disclosures, including non-US analyst disclosures.**

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## Price moves summary

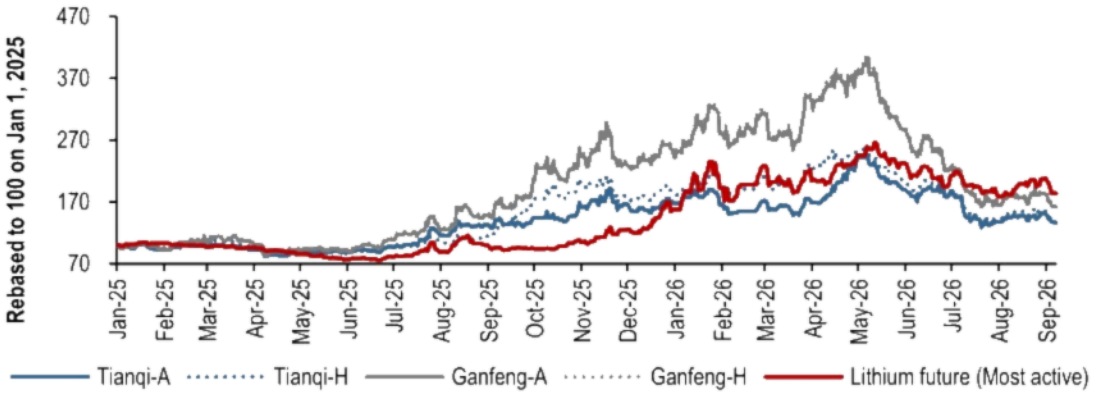
Figure 1: China lithium price moves

| Share prices | Spot | 1wk ago | Change | % Change | YTD | % YTD |
|---|---|---|---|---|---|---|
| Tianqi-A (CNY) | **45.4** | 50.1 | -4.8 | -9.5% | -10.0 | -18.1% |
| Tianqi-H (HKD) | **34.5** | 38.2 | -3.7 | -9.7% | -16.6 | -32.4% |
| *A/H premium* | ***53.6%*** | *52.8%* | *0.8ppt* | | *32.8ppt* | |
| Ganfeng-A (CNY) | **49.1** | 55.0 | -5.9 | -10.7% | -13.8 | -21.9% |
| Ganfeng-H (HKD) | **36.6** | 41.3 | -4.7 | -11.4% | -15.3 | -29.5% |
| *A/H premium* | ***56.7%*** | *55.0%* | *1.7ppt* | | *21.8ppt* | |
| SHCOMP Index | **3,930** | 3,952 | -22 | -0.6% | -39 | -1.0% |
| HSCEI Index | **8,555** | 8,490 | 65 | 0.8% | -359 | -4.0% |
| **China lithium compound prices and margin** | **Spot** | **1wk ago** | **Change** | **% Change** | **YTD** | **% YTD** |
| Lithium Carbonate (CNY/t) | **155,500** | 153,500 | 2,000 | 1.3% | 36,500 | 30.7% |
| *Externally-sourced spodumene margin* | ***3,583*** | *1,640* | *1,944* | | *-4,285* | |
| *Externally-sourced lepidolite margin* | ***-41,439*** | *-35,409* | *-6,030* | | *-19,819* | |
| Lithium Hydroxide (CNY/t) | **145,500** | 143,500 | 2,000 | 1.4% | 41,600 | 40.0% |
| *Externally-sourced spodumene margin* | ***10,750*** | *8,827* | *1,923* | | *4,600* | |
| *Externally-sourced lepidolite margin* | ***-28,893*** | *-23,795* | *-5,098* | | *-9,078* | |
| GFE Lithium Carbonate Future (Most active) (CNY/t) | **161,000** | 159,600 | 1,400 | 0.9% | 39,420 | 32.4% |
| *Future spread over spot* | ***3.5%*** | *4.0%* | *-0.4ppt* | | *1.4ppt* | |
| **Raw materials** | **Spot** | **1wk ago** | **Change** | **% Change** | **YTD** | **% YTD** |
| Domestic Spodumene 6% (CNY/t) | **14,660** | 14,703 | -44 | -0.3% | 4,840 | 49.3% |
| Imported Spodumene 6% FOB Australia (USD/t) | **2,254** | 2,133 | 121 | 5.6% | 824 | 57.6% |
| Domestic Lepidolite 1.5-2% (CNY/t) | **3,570** | 3,375 | 195 | 5.8% | 1,270 | 55.2% |
| Domestic Lepidolite 2-2.5% (CNY/t) | **5,015** | 4,775 | 240 | 5.0% | 1,550 | 44.7% |
| **FX** | **Spot** | **1wk ago** | **Change** | **% Change** | **YTD** | **% YTD** |
| USDCNY | **6.71** | 6.73 | -1.9ppt | -0.3% | -27.7ppt | -4.0% |
| HKDCNY | **0.86** | 0.86 | -0.3ppt | -0.3% | -4.2ppt | -4.7% |

Source: Bloomberg Finance L.P., J.P. Morgan calculations. Data as of 5 Sep 2026.

## Stock performance and lithium margin

Figure 2: Tianqi and Ganfeng stock performance



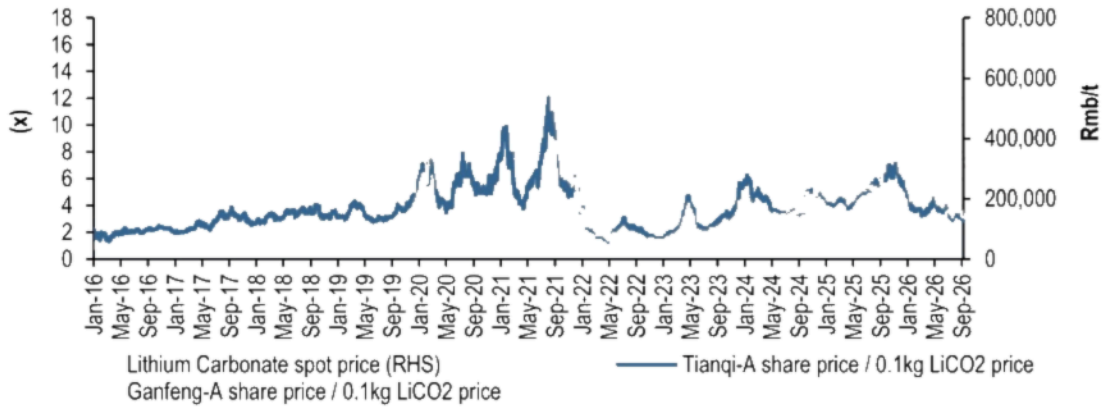

Source: Bloomberg Finance L.P., J.P. Morgan calculations; data as of 7 Sep 2026. Note: Past performance is not an indicator of future results.

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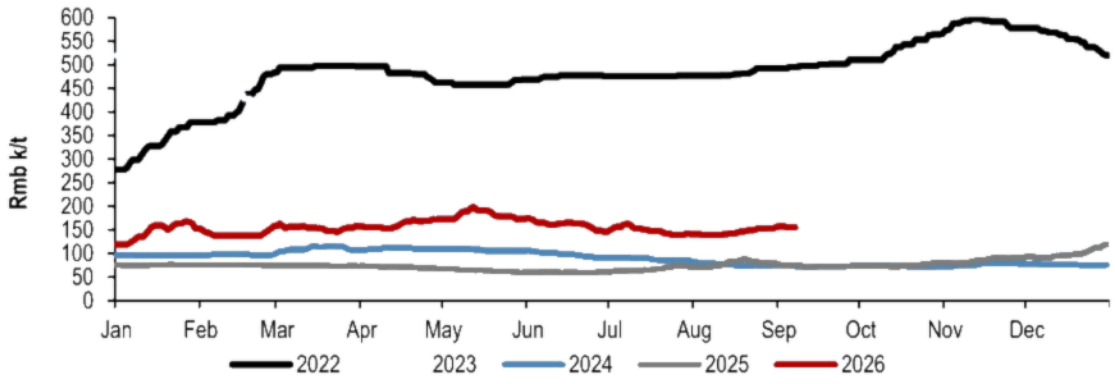


Figure 3: Tianqi and Ganfeng stock prices vs lithium carbonate spot price



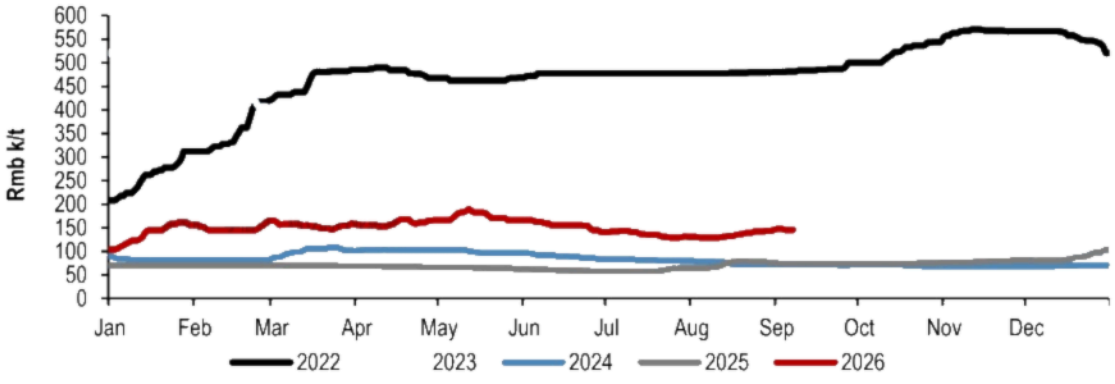

Source: Bloomberg Finance L.P., J.P. Morgan calculations. Note: Past performance is not an indicator of future results.

Figure 4: China lithium carbonate price



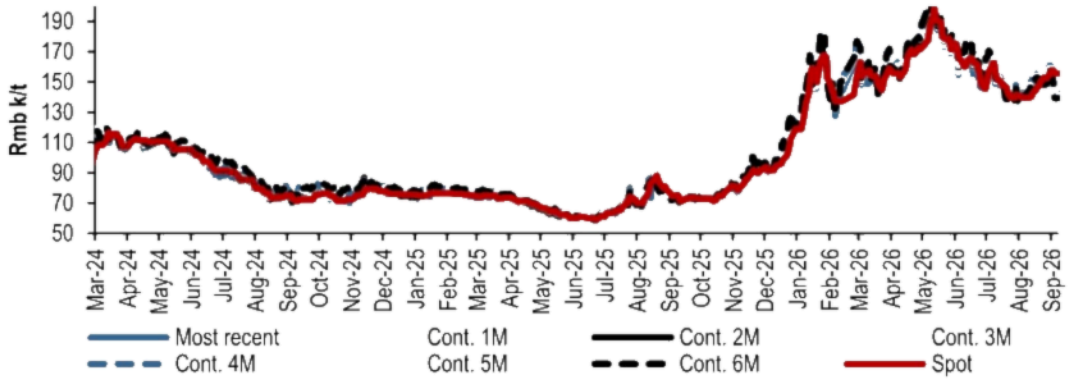

Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 5: China lithium hydroxide price



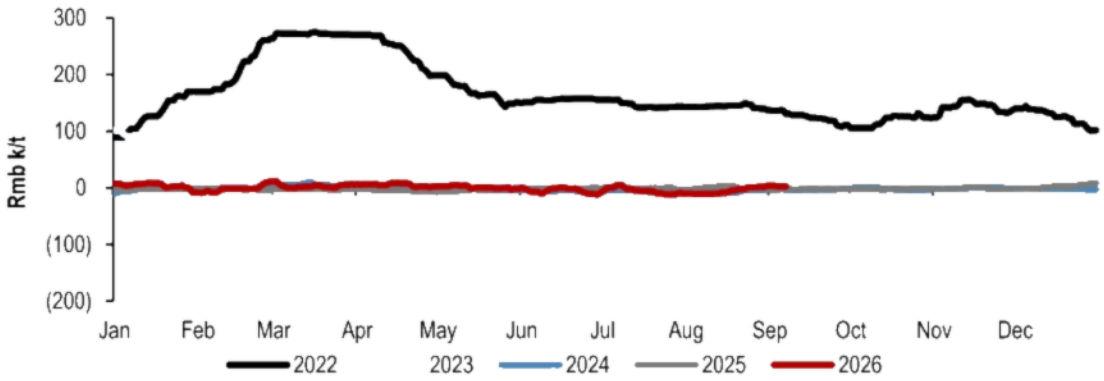

Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 6: Guangzhou lithium carbonate futures



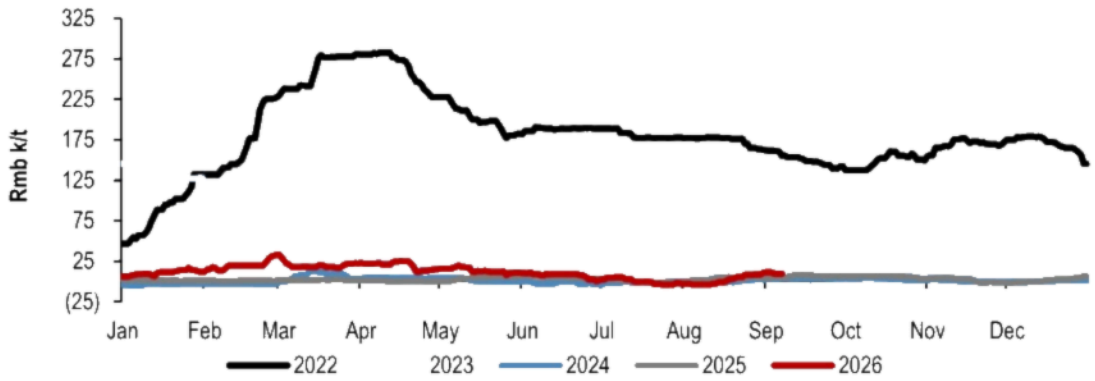

Source: Wind, J.P. Morgan calculations.

Figure 7: China lithium carbonate spread (spodumene feedstock)




Source: Bloomberg Finance L.P., SMM, J.P. Morgan calculations.

Figure 8: China lithium hydroxide spread (spodumene feedstock)



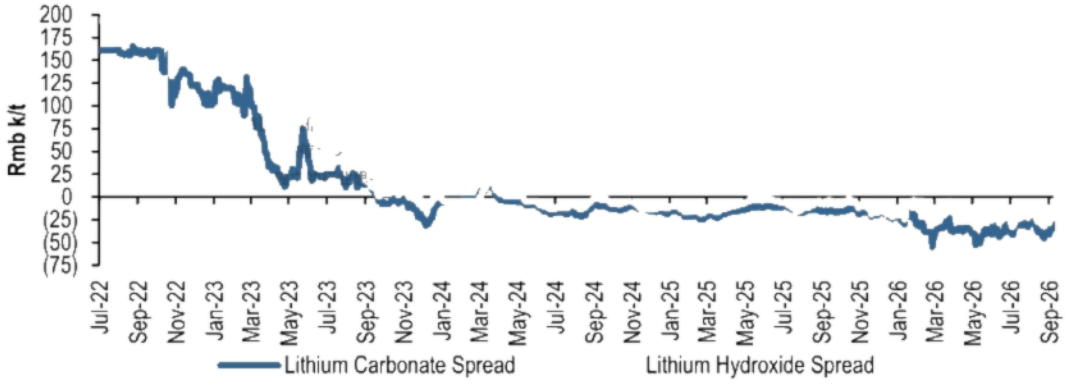

Source: Bloomberg Finance L.P., SMM, J.P. Morgan calculations

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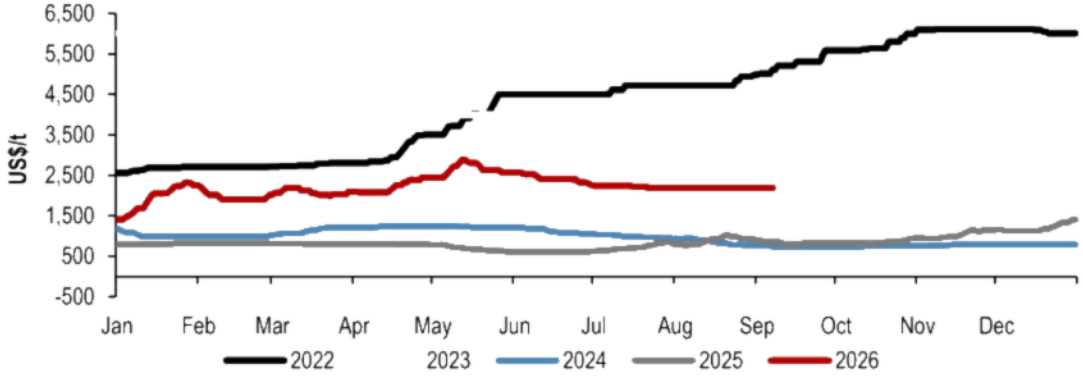
Figure 9: China lithium refining spread (lepidolite feedstock)




Source: Bloomberg Finance L.P., SMM, J.P. Morgan calculations.

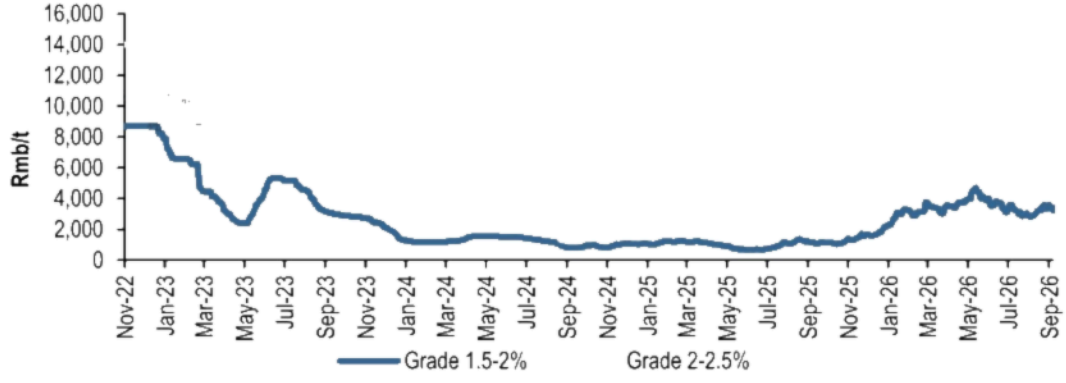
## Raw material price trend

Figure 10: China spodumene 6% CIF price




Source: Bloomberg Finance L.P., J.P. Morgan.

Figure 11: China lepidolite price




Source: SMM, J.P. Morgan.

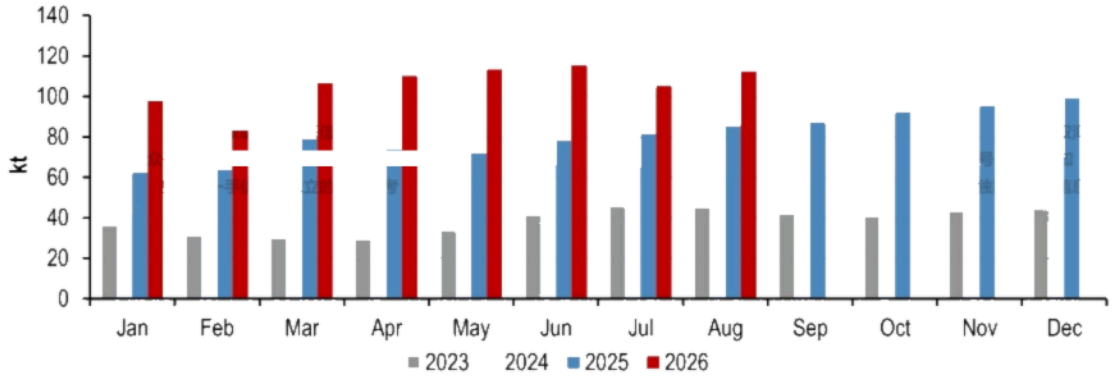
## Lithium output

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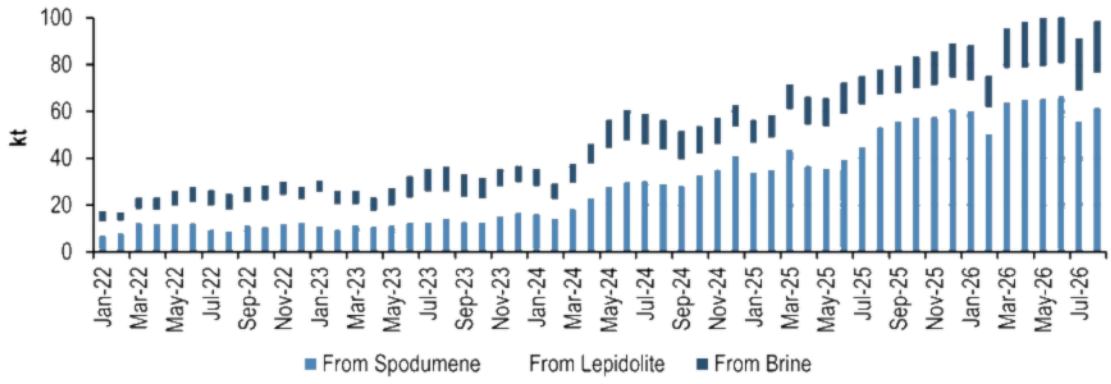


Figure 12: China lithium carbonate monthly output



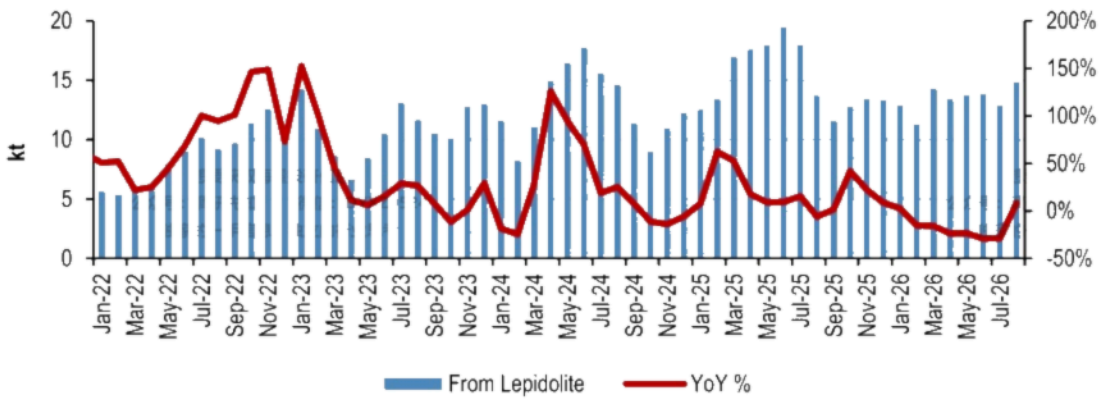

Source: SMM, J.P. Morgan.

Figure 13: China lithium carbonate monthly output breakdown by source




Source: SMM, J.P. Morgan.

Figure 14: China lithium carbonate monthly output from lepidolite



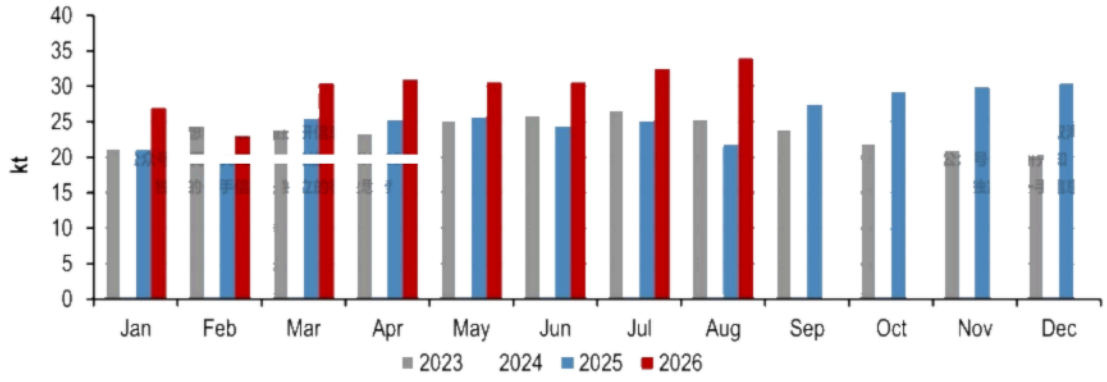

Source: SMM, J.P. Morgan.

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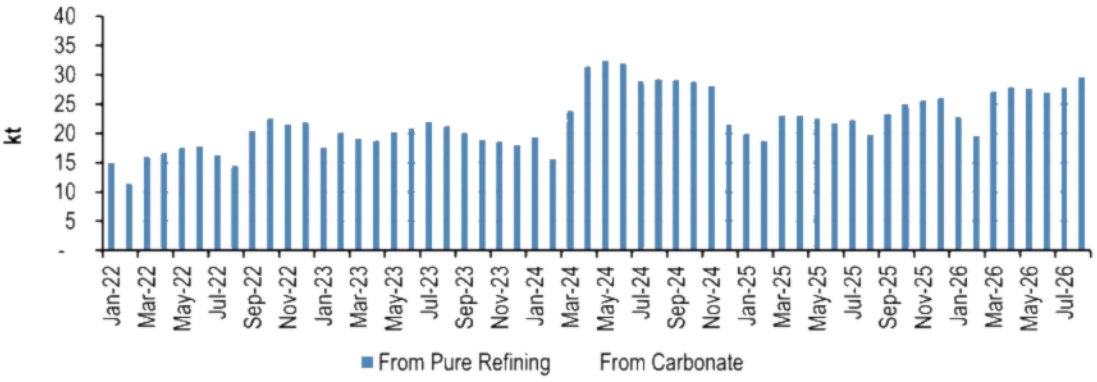


Figure 15: China lithium hydroxide monthly output



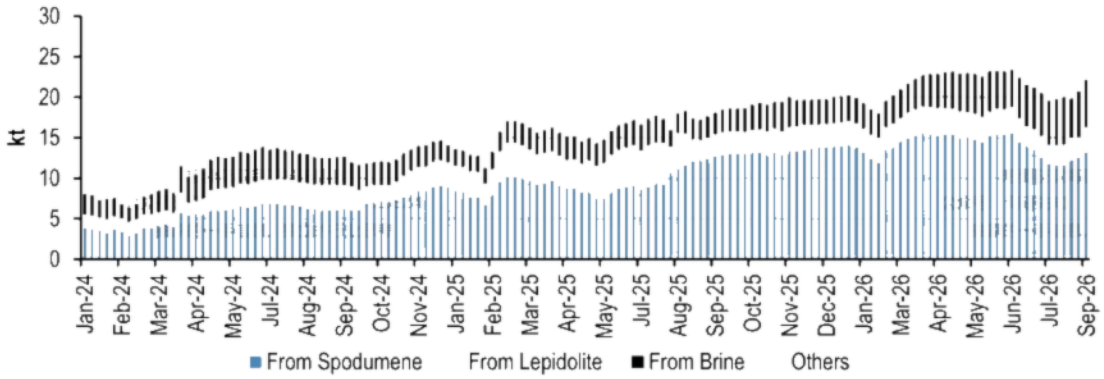

Source: SMM, J.P. Morgan.

Figure 16: China lithium hydroxide monthly output breakdown by source




Source: SMM, J.P. Morgan.

Figure 17: China lithium carbonate weekly output




Source: SMM, J.P. Morgan.

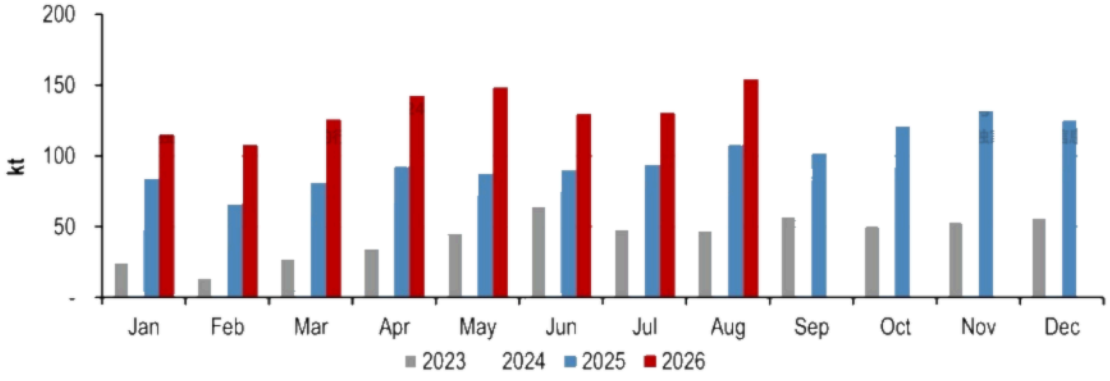
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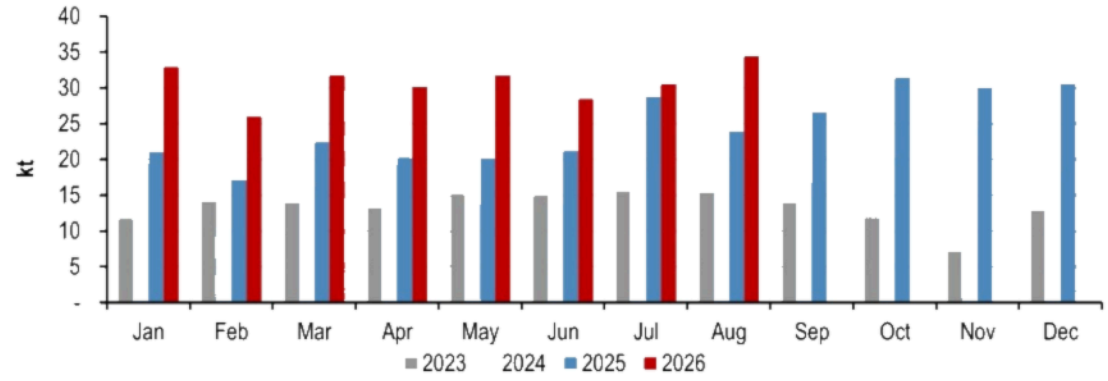
## Apparent consumption

Figure 18: China lithium carbonate apparent consumption (downstream)



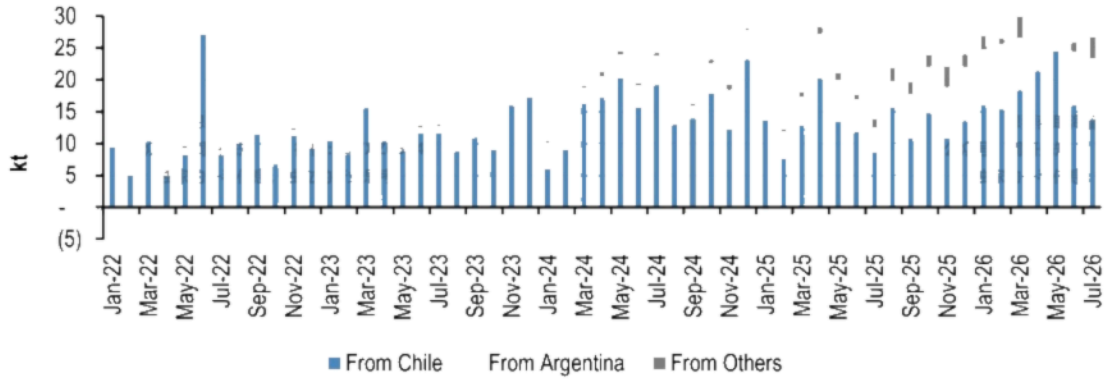

Source: Bloomberg Finance L.P., SMM, J.P. Morgan.

Figure 19: China lithium hydroxide apparent consumption (downstream)




Source: Bloomberg Finance L.P., SMM, J.P. Morgan.

Figure 20: China lithium carbonate import breakdown by country



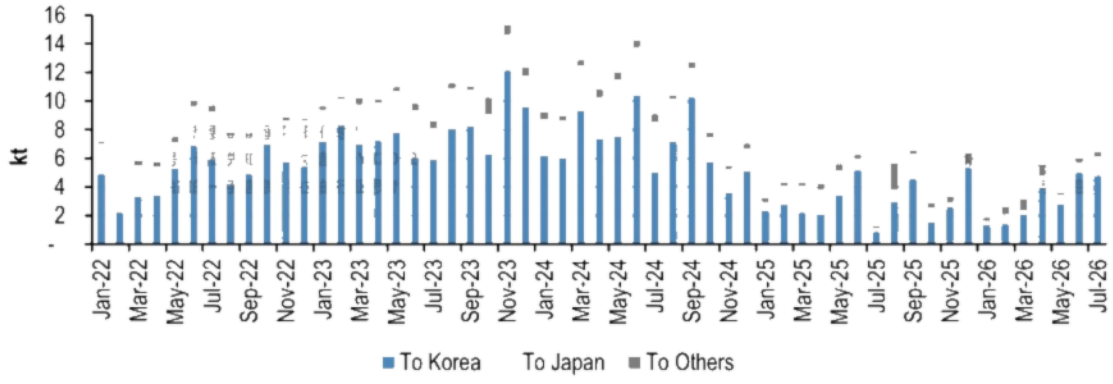

Source: Bloomberg Finance L.P., SMM, J.P. Morgan.

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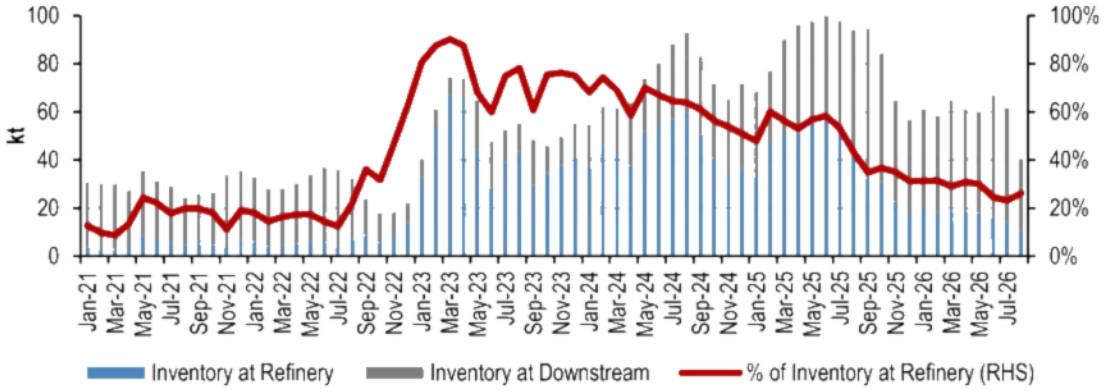
Figure 21: China lithium hydroxide export breakdown by country




Source: Bloomberg Finance L.P., SMM, J.P. Morgan.

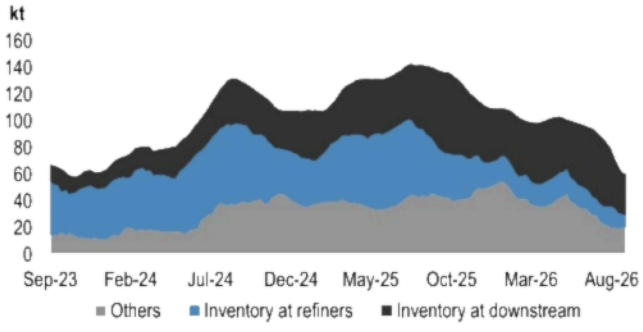
## Inventory

Figure 22: China lithium carbonate inventory



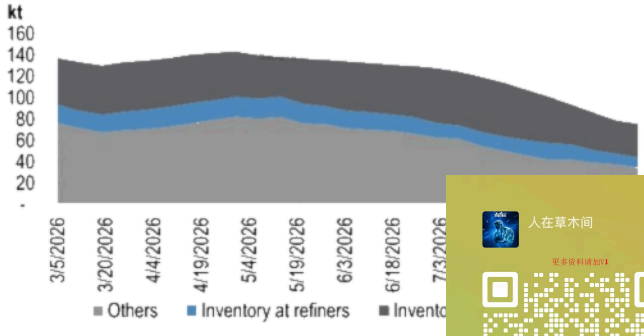

Source: Bloomberg Finance L.P., SMM, J.P. Morgan calculations.

Figure 23: China lithium carbonate weekly inventory (before May 21st methodology change)




Source: SMM, J.P. Morgan calculations

Figure 24: China lithium carbonate weekly inventory (after May 21st methodology change)



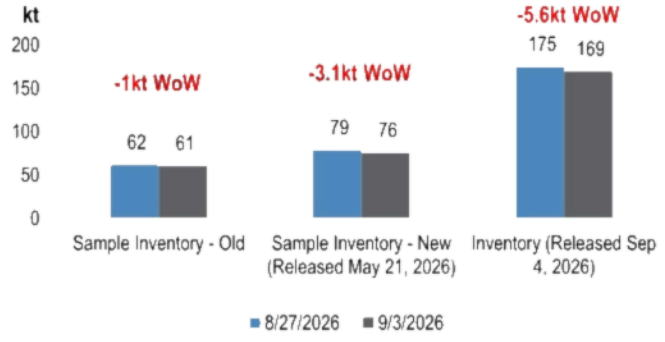

Source: SMM, J.P. Morgan calculations

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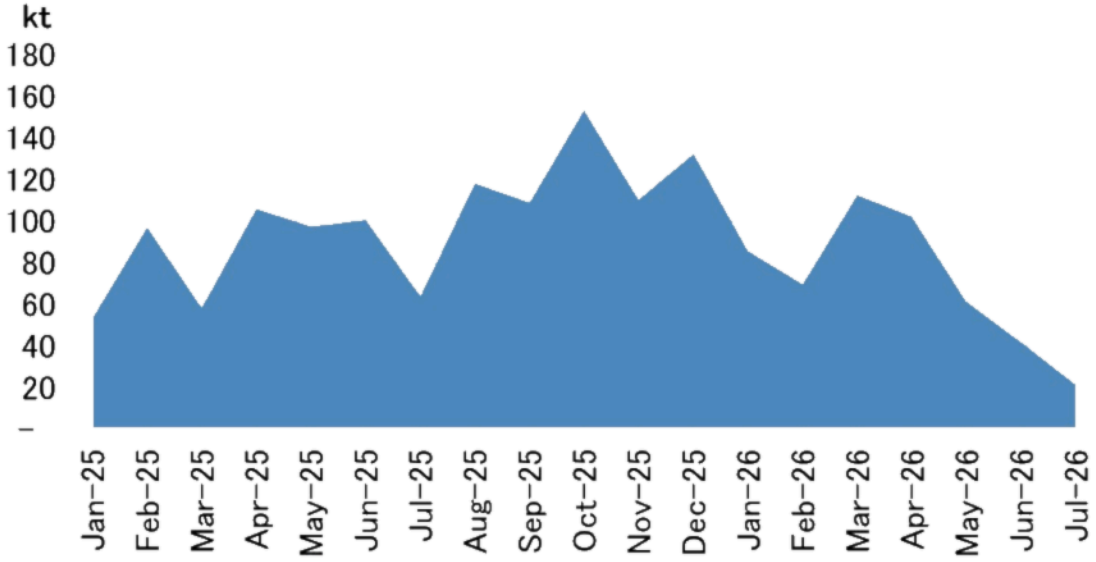
Figure 25: China lithium carbonate weekly inventory (after Sep 4th methodology change)




Source: SMM, J.P. Morgan calculations

## Import

Figure 26: China Spodumene Import from Zimbabwe




Source: SMM, J.P. Morgan calculations

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## Valuations

Table 1: Global Lithium comparison – consensus

| | Ticker | JPM Rating | Price Target | Upside/ downside | Share price | Perf. YTD (%) | Perf. MTD (%) | Mkt Cap (USDm) | P/E (x) 2026E | P/E (x) 2027E | P/E (x) 2028E | P/B (x) 2026E | P/B (x) 2027E | P/B (x) 2028E | EV/EBITDA (x) 2026E | EV/EBITDA (x) 2027E | EV/EBITDA (x) 2028E |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **China** | | | | | | | | | | | | | | | | | |
| Ganfeng Lithium - A | 002460 CH | OW | 80.00 | 64% | 48.86 | -22% | -9% | 15,342 | 13.2 | 11.7 | 10.0 | 1.9 | 1.7 | 1.5 | 9.8 | 9.2 | 7.8 |
| Ganfeng Lithium - H | 1772 HK | OW | 70.00 | 92% | 36.42 | -30% | -11% | 9,791 | 8.2 | 7.4 | 6.2 | 1.2 | 1.1 | 0.9 | 9.3 | 8.9 | 7.8 |
| Tianqi Lithium - A | 002466 CH | N | 62.00 | 37% | 45.26 | -18% | -9% | 11,755 | 10.6 | 10.6 | 10.0 | 1.5 | 1.3 | 1.2 | 4.7 | 4.6 | 4.8 |
| Tianqi Lithium - H | 9696 HK | N | 36.00 | 4% | 34.56 | -32% | -9% | 7,685 | 7.8 | 7.6 | 7.1 | 1.0 | 0.9 | 0.8 | 5.2 | 5.4 | 5.5 |
| Qinghai Salt Lake | 000792 CH | NC | - | - | 26.28 | -7% | -7% | 20,718 | 11.2 | 10.1 | 9.4 | 2.4 | 2.0 | 1.7 | 6.9 | 6.6 | 6.2 |
| Yongxing Material | 002756 CH | NC | - | - | 42.94 | -21% | -7% | 3,390 | 11.8 | 10.4 | 7.4 | 1.6 | 1.4 | 1.3 | 6.3 | 5.7 | 4.0 |
| ***Market cap weighted average*** | | | | | | | | | ***10.7*** | ***9.9*** | ***8.8*** | ***1.7*** | ***1.5*** | ***1.3*** | ***7.3*** | ***7.0*** | ***6.4*** |
| **Australia** | | | | | | | | | | | | | | | | | |
| Pilbara Minerals | PLS AU | OW | 7.00 | 42% | 4.93 | 17% | -9% | 11,621 | 14.3 | 18.7 | 21.9 | 3.1 | 2.8 | 2.4 | 8.0 | 9.8 | 10.8 |
| IGO | IGO AU | N | 7.60 | -8% | 8.23 | 0% | -5% | 4,558 | 12.5 | 13.4 | 14.4 | 2.3 | 2.1 | 1.9 | 12.8 | 15.5 | 24.2 |
| Liontown Resources | LTR AU | OW | 1.50 | 27% | 1.19 | -25% | -3% | 2,701 | n.a. | 14.1 | 10.4 | 3.7 | 2.1 | 1.7 | 19.1 | 6.9 | 5.6 |
| ***Market cap weighted average*** | | | | | | | | | ***12.6*** | ***16.4*** | ***17.7*** | ***2.8*** | ***2.4*** | ***2.1*** | ***9.4*** | ***9.5*** | ***11.2*** |
| **US** | | | | | | | | | | | | | | | | | |
| Albemarle | ALB US | N | 140.00 | 11% | 126.28 | -11% | -6% | 17,201 | 11.0 | 11.3 | 10.1 | 1.5 | 1.5 | 1.3 | 6.5 | 6.3 | 6.0 |
| FMC | FMC US | N | 12.00 | -7% | 12.97 | -6% | 12% | 1,626 | 9.8 | 7.8 | 6.6 | 0.9 | 0.9 | 0.8 | 8.5 | 7.7 | 7.3 |
| Lithium Americas | LAC US | N | - | - | 3.00 | -31% | -3% | 1,205 | n.a. | n.a. | 68.2 | 0.6 | 0.8 | 0.5 | n.a. | n.a. | 7.8 |
| ***Market cap weighted average*** | | | | | | | | | ***10.2*** | ***10.2*** | ***13.3*** | ***1.4*** | ***1.4*** | ***1.2*** | ***6.3*** | ***6.1*** | ***6.3*** |
| **South America** | | | | | | | | | | | | | | | | | |
| SQM | SQM US | N | 94.00 | 23% | 76.43 | 11% | -3% | 21,208 | 10.2 | 9.8 | 9.5 | 2.7 | 2.3 | 2.0 | 5.8 | 6.1 | 5.9 |
| ***Market cap weighted average*** | | | | | | | | | ***10.2*** | ***9.8*** | ***9.5*** | ***2.7*** | ***2.3*** | ***2.0*** | ***5.8*** | ***6.1*** | ***5.9*** |
| ***Global market cap weighted average*** | | | | | | | | | ***11.0*** | ***11.2*** | ***11.2*** | ***2.1*** | ***1.8*** | ***1.5*** | ***7.4*** | ***7.2*** | ***7.3*** |

Source: Bloomberg Finance L.P., J.P. Morgan. Prices are based on the most recent close. Note: Past performance is not an indicator of future returns.